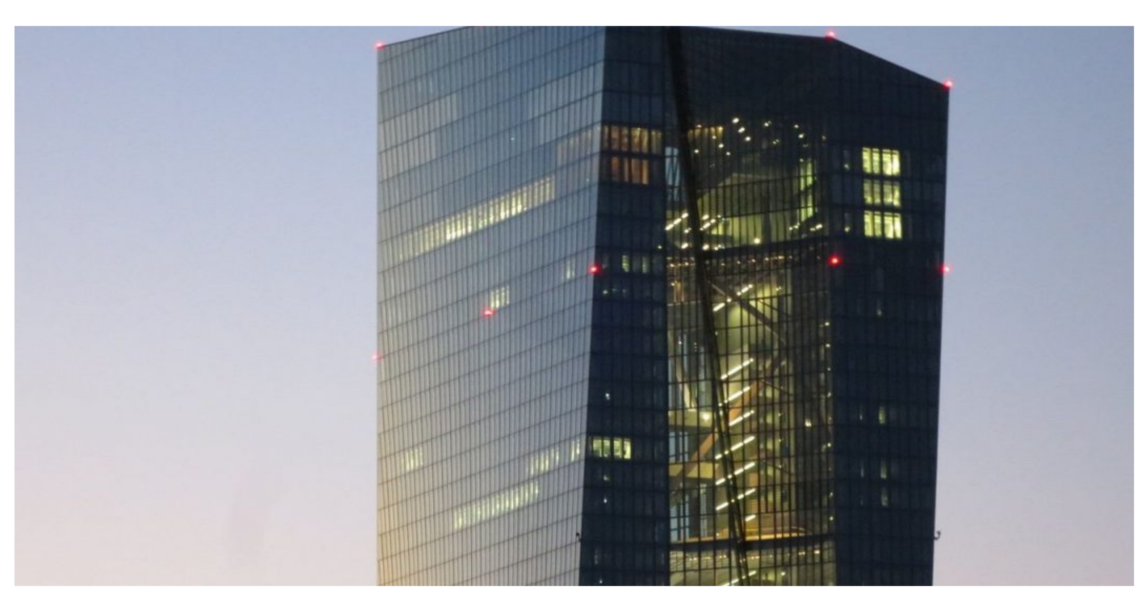






CLAUDE SERFATI 2018-08-31

THE CURRENT FINANCIAL MELTDOWN: A CRISIS OF FINANCE CAPITAL-DRIVEN GLOBALISATION

ECONOFICTION CAPITAL, CRISES, DERIVATE, ECONOMY, FINANCE, FINANCIALISATION, GLOBALIZATION

For Marx, well before when Keynes spoke of capitalism a 'monetary economy of production' (Keynes) , money as an independent expression of a certain amount of value, is the form through which capitalists can control that the process of valorization is correctly carried out. This explains why money capital took up so much momentum over decades. "Just because the money-form of this value is its tangible and independent form, the compelling motive of capitalist production", what is critical for capitalists is not so much production of goods, which "appears merely as an indispensable and intermediate link, as a necessary evil of money-making" [Marx, 1885, volume 2, Book 2, p.189], as valorization of money generating "value and yield interest, just as it is a faculty of a pear tree to bear pears" [Marx, 1981, p. 516]. While it is no time here to address fundamental differences between Keynes and Marx on monetary and financial issues, it is worth to remind that the
rare moment when Keynes approvingly quotes Marx is on the M-C-M' (M money, C Commodity, M'>M) which for Marx reflects the very specificity of capitalism compared to other market economies. According to Keynes, Marx "pointed out that the nature of production in the actual world is not, as economists seem often to suppose, a case of C-M-C', i. e., of exchanging commodity (or effort)". That may be the standpoint of the private consumer. But it is not the attitude of business, which is the case of M-C-M', i. e., of parting with money for commodity (or effort) in order to obtain more money" [Keynes, 1979, p.81]. That money can generate money as a 'pear tree bears pears' is obviously a fallacy. Financial revenues have in fine to be funded from value created and existing wealth. The process generating profits at a microeconomic, and even at the mesoeconomic level (say the financial sector), through capital gains, dividends, interests, cannot be expanded at the macroeconomic level. Otherwise we would have to imagine a country exclusively made up of rentiers, draining revenues from the rest of the world.

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